

American

NEWS & VIEWS

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President Obama, Bernanke Discuss Economic Recovery as Growth Lags

By MacKenzie C. Babb | Staff Writer

Washington — President Obama and Federal Reserve Chairman Ben Bernanke talked at the White House on the state of the U.S. economy as financial indicators continue to show slower-than-expected economic growth.

They discussed the latest jobs figures as well as the European financial crisis and the outlook for the global economic recovery, according to the White House. The August 10 meeting was the third between the two this year.

They were joined in the Oval Office by Treasury Secretary Timothy Geithner, National Economic Council Director Gene Sperling and White House Chief of Staff Bill Daley.

The group met a day after the Federal Open Market Committee, the policymaking arm of the Federal Reserve, released a statement citing economic growth in 2011 as “considerably slower” than its members had predicted at their meeting in June. The committee is comprised of the seven-member Federal Reserve Board in Washington, the president of the New York Federal Reserve Bank, and four other Federal Reserve Bank presidents, who serve on a one-year rotating basis.

“The committee now expects a somewhat slower pace of recovery over coming quarters than it did at the time of the previous meeting and anticipates that the unemployment rate will decline only gradually” through the rest of the year, an August 9 Federal Reserve statement said. It added that economic indicators suggest a deterioration in market conditions in recent months as the unemployment rate has moved up, household spending has flattened, investment in construction is still weak and the housing sector remains depressed. The unemployment rate is a factor in the expansion or contraction of consumer spending, the leading force in the U.S. economy.

The committee said threats to the economic outlook have increased, and inflation rates continue to fluctuate. To minimize both risks to economic growth and risks from a possible rise in inflation, the committee announced it would keep the target range for the federal funds rate, the rate banks are charged for overnight loans, at 0 percent to .25 percent.

“The committee currently anticipates that economic conditions ... are likely to warrant exceptionally low levels for the federal funds rate at least through mid-2013,” the statement said.

The U.S. economy added 117,000 new jobs from June to July as the unemployment rate ticked down slightly to 9.1 percent, the U.S. Labor Department’s Bureau of Labor Statistics reported August 5. The Commerce Department reported figures on July 29 showing an increase in gross domestic product (GDP) of just 1.3 percent from April to June, a rate well below economists’ expectations.

Austan Goolsbee, chairman of the president’s Council of Economic Advisers, said the latest figures show an “unacceptably high” unemployment rate that will require significantly faster growth to replace jobs lost in the economic downturn.

President Obama Honors American Muslims at White House Iftar

By Stephen Kaufman | Staff Writer

Washington — President Obama, continuing the White House tradition of hosting a dinner in recognition of the Muslim holy month of Ramadan, told guests the United States will continue to stand for a society where people have the right to worship as they chose.

“Ramadan is a time of reflection and a time of devotion. It’s an occasion to join with family and friends in celebration of a faith known for its diversity and a commitment to justice and the dignity of all human beings,” Obama said August 10 at a White House iftar for approximately 100 guests.

For Muslims, Ramadan is a period of reflection and devotion that includes daily fasting from sunrise to sunset. The iftar is a meal that breaks the daily fast after sunset.

In his remarks, the president cited the upcoming 10th anniversary of the September 11, 2001, terrorist attacks on New York and Washington, and said that “proud and patriotic Muslim Americans” were among those who lost their lives and who responded to the emergency.

The nation for which the victims died and heroes sacrificed does not merely tolerate people of different backgrounds and beliefs, but treats all of its citizens with dignity and respect, he said.

It is a nation “where our fundamental freedoms and inalienable rights are not simply preserved, but continually renewed — among them the right of every person to worship as they chose,” he said.

Joining Obama were family members of Muslim September 11 victims, police and firefighters, as well as members of the U.S. armed forces. The guest list also included members of his Cabinet, members of the diplomatic corps in Washington – including ambassadors

from predominantly Muslim or Middle Eastern countries – and members of Congress, including Representatives Keith Ellison of Minnesota and André Carson of Indiana, who are the first two Muslims to serve in the U.S. Congress.

In 1805, President Thomas Jefferson hosted what many consider as the first such dinner in honor of Tunisian envoy Sidi Soliman Mellimelli. White House iftars have been held annually for the past 10 years.

After the president spoke, he joined his guests at the dinner, which was held in the State Dining Room, whose tables were covered in crimson and gold damask featuring tall white tapers surrounding floral centerpieces.

Amid Human Disaster, Secretary Clinton Sees Greater Food Security Ahead

By Charlene Porter | Staff Writer

Washington – Food insecurity and famine in the Horn of Africa create new urgency for developed and developing nations to both rescue people caught in this crisis and make systemic reforms that can reduce the human cost of food shortages in the future. Secretary of State Hillary Rodham Clinton urged action to pursue both objectives in an August 11 speech in Washington.

“A hunger crisis is not an act of God,” Clinton told her audience, gathered at the International Food Policy Research Institute. “It is a complex problem of infrastructure, governance, markets and education. These are things we can shape and strengthen – which means this is a problem we can solve.”

To address the current emergency in eastern Africa, Clinton announced a \$17 million increase in U.S. assistance. That’s the second time in a week the Obama administration has upped its stake in addressing the needs of more than 12 million individuals affected by food insecurity in Ethiopia, Kenya, Djibouti and Somalia. President Obama added \$105 million for the region’s benefit earlier in the week. Clinton’s announcement brings the total U.S. aid to \$580 million this year, reaching 4.6 million people in need.

The United Nations is calling on donors to devote \$1.3 billion to meeting the nutritional and medical needs of a region in crisis.

Food insecurity has crossed the line to become famine only in southern Somalia for now, but food availability will continue to shrink and the numbers of people threatened by famine will increase unless more food aid heads to the region very soon, according to a U.N. assessment of the situation presented to the Security

Council August 10.

The Obama administration aims to achieve greater food security in poor nations with Feed the Future, a long range agricultural-development program which is a “centerpiece” of U.S. foreign policy, Clinton said.

“The United States has pledged \$3.5 billion to support rigorously developed plans to fortify the entire agricultural chain of our partner countries,” Clinton said, “from the fields and grazing areas where crops are grown and livestock raised, to the markets where farmers sell their wares, to the tables and hearths where people receive the nutrition they need to stay healthy.”

President Obama made the financial commitment in 2009 at a G8 summit where all of the industrial power leaders promised to devote new energies and resources to improved food security.

The administration’s agricultural-development efforts have taken a variety of forms in the two years since that announcement: getting improved fertilizers and seeds to farmers; educating growers in agricultural conservation techniques; encouraging agricultural co-operatives to give farmers more collective power in the market; and acquiring better storage and transport methods to prevent rot and waste of crops.

Kenya and Ethiopia are both partners in Feed the Future, and they have made progress in developing their agricultural sectors, despite the food shortages they are now experiencing. Five million Ethiopians face critical food shortages today, compared with 13 million on the brink of starvation in a 2002 drought.

“That’s still an unacceptably large number,” Clinton said. “It is also an astonishing improvement. And it is evidence that investment in food security can pay off powerfully.” More than 7.6 million Ethiopian farmers and herders have avoided food shortages and improved their food security with training in an internationally sponsored program teaching them to diversify crops, manage markets, save water and improve their nutrition.

These farmers are getting opportunities to help themselves, but they also need their governments to adopt trade, market and land-use policies that “are essential for ensuring wise stewardship of the land and sustainable economic opportunities for citizens,” Clinton said.

The U.S. secretary of state commended the private, nonprofit groups that work with donor nations and international groups to lessen the current crisis and help farmers adopt more sustainable policies. Clinton invited these groups and their financial supporters to share in her

vision of the success that lies ahead, “a new era of security, stability, health, economic opportunity and peace.”

Belarus Political Oppression Prompts More U.S. Sanctions

By Stephen Kaufman | Staff Writer

Washington — In response to continued human rights abuses by the Belarusian government led by Aleksandr Lukashenko, the Obama administration has imposed economic sanctions on four state-owned enterprises in Belarus.

According to the State Department, the sanctions target petroleum supplier Naftan OAO, fertilizer and consumer goods manufacturer Grodno Azot, Grodno Khimvolokno, which manufactures nylon and polyester yarns and fibers, and Belshina, which is one of Europe’s largest tire manufacturers.

The State Department said the four enterprises are subsidiaries of Belarus’s state-owned petroleum and chemical conglomerate, Belneftekhim, which has been under U.S. sanctions since June 2006 in response to the Lukashenko government’s denial of human rights to the Belarusian people.

State Department spokeswoman Victoria Nuland said August 11 that the sanctions “are a response to the continued incarceration of political prisoners, the crackdown on political activists, journalists and civil society representatives.”

She repeated U.S. calls for the Lukashenko regime to release all political prisoners “immediately and unconditionally.”

The new sanctions “are not designed to harm the people of Belarus,” Nuland said. They will augment travel restrictions, asset freezes and sanctions that are directed against “those responsible for the repression in Belarus following the December 19th [2010] presidential elections,” she said.

In that vote, Belarusian authorities declared Lukashenko, who has been in power since 1994, as the winner. International monitors said it was not a free election and it lacked a transparent vote count. Following the election, the Lukashenko government arrested opposition presidential candidates and placed into custody more than 600 people who protested the outcome.

On May 27, President Obama announced his intent to levy additional U.S. sanctions in response to prison terms given to five of Lukashenko’s presidential opponents.

The president condemned the government’s actions as “a major step backward for democracy in Belarus,” and said the trials “were clearly politically motivated and failed to meet even the most minimal standards required of a fair and independent judiciary.”

Obama had announced travel restrictions, asset freezes and sanctions against Belarusian entities and individuals on January 31 in response to the government’s crackdown following the presidential vote.

A senior State Department official who asked not to be identified said August 11 that the fertilizers, tires and other commodities produced by the four sanctioned companies are “things that the Belarusian state makes a lot of money on, particularly exporting to its neighbors.”

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